

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Irrigation & CAD Department - Release of Bank Guarantees provided for Mobilization advances -Orders - Issued.

IRRIGATION & CAD (PW- REFORMS) DEPARTMENT.

G.O.Ms.No.75

Dated: 02 -07-2009

Read the following:-

- 1) From Engineer-In-Chief (Irrigation) Letter No. ENC(I) DCE1 /OT8//AEE1/GEN 109 Dated: 13-04-2009.
- 2). From Engineer-In-Chief (Irrigation) Letter No. ENC(I) DCE1 /OT8/ AEE1/ GEN 109 Dated: 08-05-2009.

ORDER:

The Engineer-In-Chief (Irrigation), Irrigation & CAD Department, Hyderabad in the reference first read above has informed that, the Mobilization advance paid to the Agency Contractor for Irrigation works is to be recovered at the rate of 20% of bill amount (Principal) and interest thereon between the stage of 10% and 60% of gross bill. Further , it is stated that, if the Agency chooses for the recovery of more than the specified amount in the agreement, resulting in recovery of complete advance and interest thereon earlier than prescribed, it is advantageous both to the Employer and Agency as recovery of complete advance at a rate faster than specified will result in reducing the interest burden on the Agency and increasing the cash flow and reduces the requirement of L.O.C. from the department side. The Engineer-in-Chief (Irrigation) suggested that recovery of advance and the interest thereon either in one lump sum or two or three stages if chosen by the agency may be agreed to and after recovery of the entire Principal amount and interest, the Bank Guarantees produced towards mobilization advance may be released by addressing the respective banks by the concerned Executive Engineer or Superintending Engineer in whose name the Bank Guarantee is issued.

2. The State Level Standing Committee discussed the subject matter in its meeting held on 04-05-2009 and opined that “ normally the recovery of Mobilization Advance principal along with interest is being effected after the Gross bill of the work exceeds 10% of total works value and will be completed by 60% of work is completed at the rate of 20% of Gross bill. If the Agency requests for recovery of entire Mobilization advance principal along with interest it may be agreed to, as this will reduce the LOC requirement and the mobilization Advance along with interest will also be recovered earlier when compared to normal rate of recovery there by reducing the burden on Budget releases from the Government. Therefore, the Committee recommended that recovery of Mobilization Advance and the interest there on in one lump sum or two or three stages, if chosen by the agency may be agreed to.

3. After careful examination of the proposal of the Engineer-in-Chief (Irrigation), and considering the recommendations of the State Level Standing Committee at para (2) above, the Government hereby accord permission for recovery of Mobilization Advance and the interest there on in one lump sum or two or three stages, if chosen by the agency subject to conclusion of supplemental agreements. The release of Bank Guarantee taken against Mobilization Advance shall be done only after total recovery of Mobilization advance including interest.

//2//

4. This order is issued with the concurrence of Finance (W&P) department vide their U. O. No.1952 /F3(1)/09-1 dated 29-05-09.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**ADITYA NATH DAS
SECRETARY TO GOVERNMENT**

To

The Engineer-in-Chief (Irrigation), I&CAD Department,
Jalasoudha Buildings, Hyderabad.

Copy to:

The Finance (W&P) Department.

The Accountant General, A.P , Hyderabad.

The Director of Works & Accounts, Hyderabad.

The P.S to Spl.Secrerary to C.M

The P.S to Minister for Major & medium Irrigation.

The P.S to Prl. Secretary to Govt (.Projects)/ P.S to Secretary to Govt.

(RRM)/P.S to Secretary to Govt (A.D)

The Special Officer (Technical), Irrgn. & CAD Dept.

// FORWARDED :: BY ORDER //

SECTION OFFICER